

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

TRANSFERRING SELECTED POST OFFICE BOX SERVICE LOCATIONS TO THE COMPETITIVE PRODUCT LIST DOCKET NO. MC2011-25

INITIAL COMMENTS OF DAVID B. POPKIN

June 10, 2011

Respectfully submitted,

PRCMC201125COMMENTS

DAVID B. POPKIN, POST OFFICE BOX 528, ENGLEWOOD, NJ 07631-0528

On May 13, 2011, the United States Postal Service filed a Request of the United States Postal Service ["Request"] to transfer selected Post Office Box Service locations from the Market Dominant Product List to the Competitive Product List.

There is no indication in the Request why five miles was chosen as opposed to some other distance. There is no indication how the five miles was determined.¹ The mere existence of a single CMRA could potentially qualify many post office box sections to be converted to Competitive. For example, the CMRA in Tenafly, New Jersey, has over 30 postal facilities within five miles. These 30-plus offices have thousands of post office box holders all competing for potentially a handful of available boxes in the Tenafly CMRA. There is no data to indicate the extent of POTENTIAL competition caused by this or any other CMRA in the country.

Do they even have boxes available for rent?

Are boxes available in the needed size?

Perhaps the strongest indication of the lack of competitive conditions would be in the different levels of market dominance that exists between existing Post Office Box holders as opposed to those that are looking to obtain new service. Many existing box

¹ For example, is it an airline distance with a river or highway in between?

holders would have to make a major undertaking² to change their address as would be required if an existing Post Office box holder were to switch to a private mailbox service.

The Postal Service recognized the effects that a change of address could have on an existing post office box holder as indicated in their response to Interrogatory DBP/USPS-16 in Docket N2009-1.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY FROM DAVID POPKIN**

Revised: August 6, 2009

DBP/USPS-16

Please advise the effects that the closing of a station or branch of a Level 24 or higher post office will have of the changing of the address of a delivery customer who receives

[a] post office box delivery

[b] city delivery

[c] rural delivery

[d] HCR delivery.

Please indicate the conditions that would require vs. not require a change of address.

RESPONSE

No change of address will occur for scenarios (a), (c) and (d). For Post Offices, there is a potential for address changes. Please see USPS-T-1, pages 12-13.

As much as I might hate to concede it, I am locked into my existing post office box address regardless of the cost or level of service received. I have to trust that I will be protected by the PRC from unjust actions of the Postal Service. The competitive nature of Priority Mail is an entirely different picture. If the cost or level of service changes, I can just switch my provider in a very simple move.

This is somewhat similar to the action taken by the Federal Communications Commission when they allowed cell phone users to keep their number if they changed providers. Unfortunately, the Postal Service will not allow me to keep my address if I change providers.

² Such as new stationery and forms, websites, contacting correspondents, etc.

The basic question comes down to whether a PO Box Holder and a CMRA customer are receiving the same service so they can compete on price. The level of security for a PO Box Holder can be perceived to be greater. The level of personal service for a CMRA customer can be perceived to be greater. Ability to receive non-postal deliveries is available at most CMRAs. For both customers there are a number of convenience factors which have to be considered.

A comparison of the two services for a new customer³ still shows many differences in the services which would keep them from being competitive services.

- a. USPS Post Office Box holders will receive 6-day delivery under the proposed changes while private mailbox services will only receive 5-day service if the provider receives carrier delivery.
- b. Private mailbox services can receive delivery from non-USPS carriers while USPS Post Office Box holders cannot.⁴
- c. Private mailbox services can provide personal service such as telephone calls concerning receipt of mail or packages.
- d. Private mailbox services can provide specific forwarding of mail while USPS Post Office Box holders are restricted to an all-or-nothing service.
- e. Different regulations apply for forwarding mail after termination of service.

There are also the specific characteristics of the two different services such as:

- a. The availability of the desired mailbox size
- b. Hours of service
- c. Time that the mail is available
- d. Facility location and convenience of accessibility
- e. Other services that are available. Many private mailbox services provide copying and packaging services and supplies as well as greeting cards.
- f. Availability of outgoing services.

³ Keep in mind that once a new customer starts a service, they would be locked in to a lack of competition like any other old customer.

⁴ The private mailbox service provider would have to provide a physical address to receive this service.

There are actions that can be taken by the local post office which can affect the competitiveness of the private mailbox service such as:

- a. The method and time of delivery of the mail to the private mailbox customer.
- b. The provision of a blue collection box at the private mailbox services location.
- c. The hours of collection of the blue collection box.

Therefore, based on this the two products are not similar and do not compete with each other.

Two of the benefits that the Postal Service claims will be available for the Competitive Post Office Box holder are access to one's box for a greater time period and an earlier time at which the placing of a given day's mail will be available for pick-up.⁵ Both of these alleged benefits should apply equally to both Market Dominant boxes as well as Competitive boxes. The conditions that determine the access to one's post office box and/or the time that the mail is placed in the box are established for a given office⁶ The first criteria for any office is to provide the best possible service for the existing set of conditions.

During a visit to the Closter, NJ Post Office and the nearby private mailbox service store, it was noted that the Post Office had all five box sizes installed⁷ while the private mailbox service store only had the first 3 sizes installed. For this specific case, how can size 4 and size 5 boxes be competitive?

In a competitive product, the market place allegedly should keep the Postal Service from either making excessive or inappropriate price increases or inappropriate changes in service levels. Based on my comments, I believe that I have shown, particularly in

⁵ Sometimes referred to as "Box Up Time."

⁶ Access to a box depends on someone being on duty or security being available for unattended access. The Box Up Time would depend on the arrival time of the mail and personnel to process it.

⁷ The usps.gov website indicates that all five sizes are available for rental

the case of existing box holders, that the market place will not provide the necessary restraint.

Based on the above comments, the Commission should issue a ruling that this Request should be denied. It is also noted that the Postal Service has not provided the rates for the boxes being converted to Competitive.